



***The Moorings at Lewes Nursing Home
Long-Term Healthcare Facility
Fiscal Year Ended June 30, 2018***

What Was Performed? An examination of The Moorings at Lewes Nursing Home's fiscal records of the Delaware Department of Health and Social Services, Division of Medicaid and Medical Assistance, Medicaid Long-Term Care Facilities' Statement of Reimbursement Costs for Skilled and Intermediate Care Nursing Facilities – Title XIX and Nursing Wage Survey (cost report and nursing wage survey, respectively) for fiscal year ended June 30, 2018.

Why This Engagement? This engagement was conducted in accordance with federal requirements (42 CFR 447.253 and 483 Subpart B) and state requirements (Title XIX Delaware Medicaid State Plan, Attachment 4.19D) (criteria), as applicable to The Moorings at Lewes Nursing Home's fiscal records. The criteria were used to prepare the Schedule of Adjustments to the Trial Balance, Patient Days, and Nursing Wage Survey for fiscal year ended June 30, 2018 found in the report.

The State of Delaware is required to ensure that the fiscal records at the nursing care facilities are retained and properly support the cost report, or the financial report showing the cost and charges related to Medicaid activities, submitted to the Medicaid Agency. These costs must be compliant with federal and state regulations. Under the Delaware Medicaid State Plan, the state is required to examine a sample of facilities located within the state to ensure the facilities' cost reports and nursing wage surveys are compliant with federal and state requirements.

What Was Found? The examination identified two findings, with each finding resulting in both a material weakness in internal control and a compliance finding:

- The facility did not provide the general ledger and supporting documentation for the period of July 1, 2017 through September 30, 2017.
- The facility did not provide sufficient supporting documentation for salary expense for the period of July 1, 2017 through December 31, 2017.

The facility was unable to provide the above detail support for certain costs, with the total amount of untested costs being approximately \$2.1 million (34.3% of total costs) on the cost report and nursing wage survey. As a result, we were unable to obtain sufficient appropriate evidence about the accuracy and allowability of these costs. We were also unable to determine whether adjustments to these amounts were necessary, and whether management's assertions related to these costs are accurate. Not being able to support the costs recorded could result in a disallowance of those costs, which would affect the facility's reimbursement rate.

The Moorings at Lewes Nursing Home Long-Term Healthcare Facility Examination for Fiscal Year ended June 30, 2018, can be found [here](#).

For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at Kathleen.Mcguinness@delaware.gov.
